

## **6.0 Fiscal & Socio-Economic Analysis**

### **6.1 Introduction**

The development project is known as “Underhill Farms”. The 13.8-acre site is located on Underhill Avenue, in the Town of Yorktown, Westchester County, New York. The development site is located between Glenrock Street and NYS Route 118 and is the site of the previous Soundview Prep School.

The Project Sponsor proposes to construct a mixed-use development consisting of 80 Condominium units, including 48 townhouses and a 32-unit condominium building; 68 apartments and 15,600 square feet of retail and office space including 8,100 square feet of new retail space in addition to the reuse of the Underhill Mansion. The development will preserve the existing historic Mansion structure incorporating it into the development.

### **6.2 Project Description**

As illustrated on the submitted site plans, the Underhill Farms site plan includes three 6-unit uphill townhouse structures, four 4-unit downhill townhouse structures, one 2-unit downhill townhouse structure, three 4-unit uphill townhouse structure, plus a 32-unit condominium building and a 68-unit apartment building for a total of 148 units in 13 buildings. The entire 32-unit condominium building will be senior housing, restricted to those age 55 and over. Land use in the Town of Yorktown is composed largely of suburban single-family residential housing. The goal of the Overlay District, as outlined in the recent Comprehensive Plan (see Section 1.0, Land Use) is to concentrate economic development and diversity of housing choices in the Town’s Hamlet Centers, thereby supporting the existing pattern of rural residential development in the other areas throughout the Town. As already stated, the development includes the preservation of the existing historic building, incorporating it into the project design.

### **6.3 Population**

Demographic multipliers published by the Rutgers University Center for Urban Policy Research (CUPR) were used to project the future population of the proposed Underhill Farms community. Population projections are based upon the geographic region, type of unit, number of bedrooms, and the anticipated rental value. Although there are other published demographic multipliers, the CUPR multipliers are more specific because they are calculated based upon the specifics of geographic location, bedroom count, and unit type. The researchers, Burchell and Listoken are considered the experts in demographic projections and the CUPR multipliers are considered the standard in this field of study. As shown in Table 1, based upon the nature of this development, the multipliers used to project the population are as follows; four-bedroom units house 3.89 persons, three-bedroom units house 2.83 persons per unit, two-bedroom units are 2.31 persons per unit and a one-bedroom unit is 1.67 persons per unit. All Senior units were projected to house 1.88 persons. By comparison, 2020 U.S. Census American Community Survey (ACS) data indicate that the average family size for all housing types in the Town of Yorktown is 3.15 persons.

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A report was prepared by Dr. Paul Seversky for the Yorktown Central School District, entitled Enrollment Projection/Demographic Study, May 2018, to assist the District in projecting future student enrollment. The study relies heavily on an assessment of live births to predict future Kindergarten enrollments and then assesses the survivability of the cohorts by grade level to determine overall enrollments.

The study uses data presented in the 2016 American Community Survey, published by the US Census which indicates a number of relevant facts that influence this projection. The Average Owner-Occupied population per household was 3.10 in 2016. It has now declined to 2.74. This figure is based on data from all housing types. The median age was 43.9 and is now 46.4 indicating a population who is growing out of prime childbearing years. The percentage of the population that would attend school has dropped from 25.8 percent to 22.1 percent. Single-family houses represent more than 74 percent of the housing units in the Town and 65.6 percent of all occupied housing units have 3 to 4 bedrooms. The study uses a factor of 0.53 students per new household but does not differentiate by unit type. Since the Burchell and Listokin multipliers are based upon both geographic region and type of unit, they represent a more informed projection of students from new housing starts.

As shown in Table 6-1, Based upon the CUPR residential multipliers, approximately 342 persons, including 34 school-age children are projected to reside at Underhill Farms. If the 0.53 school-age children multiplier was used, an additional 4 school-age children would be projected.

<b>Table 6-1 Population Projections</b>					
<b>Unit Size</b>	<b>Number of Units</b>	<b>Population Multiplier</b>	<b>Population</b>	<b>School Age Children Multiplier</b>	<b>School Age Population</b>
<b>HOME OWNERS ASSOCIATION</b>					
Uphill Townhouse Units					
3-BR	25	2.83	71	0.39	10
4-BR	5	3.89	19	1.19	6
Downhill Townhouse Units					
3-BR	18	2.83	51	0.39	7
Senior Condominiums					
1-BR	2	1.88	4	0.00	0
2-BR	30	1.88	56	0.00	0
<b>TOTAL</b>	<b>80</b>		<b>202</b>		<b>23</b>
<b>COMMERCIAL / APARTMENTS</b>					
Apartments					
1-BR	26	1.67	43	0.08	2
2-BR	42	2.31	97	0.23	9
<b>TOTAL</b>	<b>68</b>		<b>140</b>		<b>11</b>
<b>GRAND TOTAL</b>	<b>148</b>		<b>342</b>		<b>34</b>

Source: Rutgers University Center for Urban Policy Research, June 2006. Table prepared by TMA, 2023.

**6.4 Current and Projected Assessed Value**

The Underhill Farms development site is contained on the Town of Yorktown tax parcel Section 48.06 Block 1 Lot 30.

The current assessed value of the total project site is \$32,850. As the Soundview Preparatory School, the site had a religious use exemption and was not paying any taxes. The Taxes are being paid by Underhill Farms beginning with the 2021 tax year. According to a review of the current 2023 tax bills for the subject parcel, the total annual property taxes generated by the project site and paid to the Town of Yorktown were \$7,420. The municipal taxes paid to Westchester County were \$4,407. Thus, the total municipal taxes paid were \$11,827 while the annual property taxes paid to the Yorktown Central School District were \$33,527.

Based upon the income value of the residential units, plus the income value of the proposed commercial development, the market value of Underhill Farms is projected to be approximately \$48,610,635. Using the current 2023 equalization rate of 1.93 percent, the total Assessed Value of the project used for this analysis is \$938,185.

**6.5 Current and Projected Revenues**

Table 6-2 compares the revenues generated currently by the property to the revenues to be generated after the Underhill Farms development is complete. Revenues are based on 2023 municipal tax rates and the 2022-2023 tax rate for the Yorktown Central School District.

According to the Town of Yorktown’s annual budget, the Town’s tax rate includes governmental services, Highway and street maintenance, Justice Court, public safety, refuse & recycling collection, and parks & recreation.

As presented in Table 6-2, at today’s tax rates, annual revenues to the Town of Yorktown from the Underhill Farms would be approximately \$211,899. The project-generated annual revenues to Westchester County would be approximately \$125,867 annually.

<b>Table 6-2 Current &amp; Projected Taxes Generated by Underhill Farms Development</b>			
<b>Taxing Authority</b>	<b>Current Taxes (\$)</b>	<b>Underhill Farms Projected Taxes Total (\$)</b>	<b>Net Increase Between Current &amp; Projected Taxes (\$)</b>
<b>Total Westchester County</b>	<b>\$4,407</b>	<b>\$125,867</b>	<b>\$121,460</b>
<b>Total Town of Yorktown</b>	<b>\$7,420</b>	<b>\$211,899</b>	<b>\$204,479</b>
<b>Yorktown Central School District</b>	<b>\$33,527</b>	<b>\$957,531</b>	<b>\$924,004</b>
<b>TOTAL</b>	<b>\$45,354</b>	<b>\$1,295,297</b>	<b>\$1,249,943</b>

Notes:  
Municipal taxes are based upon Town of Yorktown 2023 Tax Rates.  
Yorktown Central School Taxes are for the 2021-2022 Budget.

As stated earlier, annual revenues to the Yorktown Central School District would be approximately \$957,531. The net *increase* between the current tax revenues generated by the site and paid to the School District and the total future project-generated revenues to the school district are projected to be approximately \$924,004 annually.

Table 6-2 also indicates the combined net increase in revenues to each jurisdiction, which in total is projected to be more than \$1.2 million annually once the development is fully built out. The projected assessment and resulting tax projections have been reviewed by the Town Assessor and found to be reasonable. Final Assessment can only be done by the Town Assessor once the development is anticipated to begin construction, and is dependent upon market conditions and other relevant factors at that time.

### **6.6 Tax Abatement**

Section 485b of the NYS Real Estate Law outlines an as-of-right tax abatement schedule for commercial properties over a period of ten years.

The future assessed value of the commercial development, including the re-use of the Underhill Mansion, the supporting ancillary commercial development, and the rental apartments totals \$395,965. Tax abatement is limited to the **increase** in assessed valuation on improvements, compared to the existing assessed value.

The current assessed value of the site is \$32,850. The future assessed value of the commercial development is projected to be \$395,965. However, the tax abatement does not apply to the assessed value of the land (\$10,800), leaving an assessed value of \$22,050, thus the increase in assessed value eligible for a 485b tax abatement is projected to be \$373,915. At today's tax rates, the cumulative tax rate is \$1,380.64. Once the Fire District taxes are excluded, a reduction of \$24.23, the resulting tax rate to be applied for abatement is \$1,356.41. Taxes have been increased by two percent annually to account for an anticipated annual increase in the tax rates. The Section 485b tax abatement schedule permits a reduction of 50% of the taxes in Year 1, with a 5% reduction each year, so Year 2 the abatement would be 45%, Year 3 would be 40% etc. Table 6-3 below indicates the anticipated tax abatement over ten years would be \$1,418,879.

Table 6-3 Underhill Farms - 10-year Tax Abatement - Commercial Taxes		
Year	Commercial Tax @2% Growth	Deferred Tax per S 485b
1	\$507,182	\$253,591
2	\$517,326	\$232,797
3	\$527,672	\$211,069
4	\$538,226	\$188,379
5	\$548,990	\$164,697
6	\$559,970	\$139,992
7	\$571,169	\$114,234
8	\$582,593	\$87,389
9	\$594,245	\$59,424
10	\$606,129	\$30,306
<b>Total</b>	<b>\$5,553,501</b>	<b>\$1,481,879</b>

The Tax abatement shown in Table 6-3 applies only to commercial properties and then only to a portion of those taxes. Table 6-4 below provides a summary of ALL taxes that will be paid by the Underhill Farms development over a period of 10 years upon completion of the development. These taxes include both residential and commercial and are paid to the Town, including special districts, Westchester County, and the Yorktown School District.

Table 6-4 further shows the taxes that will be paid after the 485b tax abatement and shows the commercial tax abatement being requested to assist the Town in funding road improvements to the Underhill Avenue/ Route 118 intersection. Overall, after all proposed abatements, Underhill Farms will pay \$11,846,528 in taxes over 10 years once fully built out and will continue to be a permanent addition to the Town's tax base.

Table 6-4 Total Taxes to be paid by Underhill Farms Development					
Year	Total Taxes (\$)	Total taxes Deferred from 485b Abatement (\$)	Total taxes Paid after 485b Abatement (\$)	Commercial Taxes Available for Traffic Tax Abatement (\$)	Total taxes Paid after All Tax Abatement (\$)
1	\$1,295,296	\$253,591	\$1,041,705	\$253,591	\$788,114
2	\$1,321,202	\$232,797	\$1,088,405	\$284,529	\$803,876
3	\$1,347,626	\$211,069	\$1,136,557	\$316,603	\$819,954
4	\$1,374,578	\$188,379	\$1,186,200	0	\$1,186,200
5	\$1,402,070	\$164,697	\$1,237,373	0	\$1,237,373
6	\$1,430,111	\$139,992	\$1,290,119	0	\$1,290,119
7	\$1,458,714	\$114,234	\$1,344,480	0	\$1,344,480
8	\$1,487,888	\$87,389	\$1,400,499	0	\$1,400,499
9	\$1,517,646	\$59,424	\$1,458,221	0	\$1,458,221
10	\$1,547,999	\$30,306	\$1,517,692	0	\$1,517,692
<b>Total</b>	<b>\$14,183,130</b>	<b>\$1,481,879</b>	<b>\$12,701,251</b>	<b>\$854,723</b>	<b>\$11,846,528</b>

Notes: \*Tax Abatement 485b applies to the increase in assessed value of commercial improvements, and excludes Fire District taxes

\*\* total taxes shown are on the entire projected assessed value and include special district taxes.

Full tax assessment is levied on the completed development; partial taxes are assessed during the construction period.

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## 6.7 Municipal Costs Associated with the Proposed Project

An approximate estimate of costs to the Town of Yorktown associated with the Underhill Farms development may be determined by obtaining a reasonable composite of current costs on a per capita basis and multiplying this amount by the anticipated population of the proposed project.

Through a review of the Town's operating budget, the amount of expenditures can be derived and, by dividing the population into the amount of expenditures, an estimate of per capita costs can be determined. To determine the costs derived from residential uses a determination of the percentage of the Town's assessment roll attributed to residential development is calculated. To calculate the portion of the per capita cost which is paid for by property tax revenues (as opposed to other forms of income to the Town), the per capita cost is multiplied by the proportion that property tax revenue comprises of the overall income stream.

This generalized methodology overstates the overall costs. The incremental costs which would be applicable specifically to this project are anticipated to be substantially lower. Certain fixed costs would not actually be affected by an increase in population. For example, the Supervisor's salary or the cost of running Town Hall are expenses that are paid by the Town's Budget, but would not be expected to increase based on an increase in population. It is also noted that commercial and other land uses in the Town place demand on the various governmental services which contributes to the costs being overstated. The majority of services provided by the Town would not be directly affected by an increase in population. A review of the Town's operating budget indicates that no more than 50% of expenses are related directly to population increase.

In this instance, the adopted 2023 municipal budget for the Town of Yorktown General Fund, Highway expenses, and A Line items, amounts to \$42,750,307. The total amount to be raised by taxes is \$21,753,737. The tax levy represents approximately 51 percent of the municipal budget.

According to the U.S. Census American Community Survey (ACS) data, the 2022 estimated population for the Town is 36,538 persons. Dividing the amount to be raised by taxes by the population, times the percentage of residential expenses, factored by that portion of the budget directly affected by population increase, results in an estimated impact to the Town budget of up to \$200 per capita.

As described earlier, the proposed project would add approximately 342 persons to the population of the Town. Based on a per capita expenditure of \$200, the additional costs to the Town of Yorktown are projected to be up to approximately \$68,400. As presented in Table 6-2, the revenues to the Town from the proposed Underhill Farms Development would amount to an estimated \$211,899, thus, the project would result in increased Town revenue of \$143,499 annually after covering costs.

**6.8 Schools**

*Existing Conditions*

The project site is served by the Yorktown Central School District. The District includes five schools, two grade schools, (grades K,1,2,3,) one intermediate school (grades 4 & 5) one middle school (grades 6, 7, and 8), and one high school (grades 9 to 12). The Yorktown Central School District geographically includes the southern two thirds of the Town of Yorktown and portions of the Towns of Cortlandt and New Castle.

According to information provided by the School District<sup>1</sup>, enrollments have been steadily decreasing for more than the past 5 years. As of October 2021, 3,381 students were enrolled in the District. Table 6-5 below summarizes the 2020/2021 grade distributions and enrollments of the various schools within the District:

Table 6-5 also shows the functional capacity of each school and the percent utilization during the 2020/2021 school year (the most recent year data is available). There is available capacity in each of the schools ranging from approximately 10 percent to almost 40 percent in the MESMS Middle School. The 34 to 38 students' distributed over all grades, should be able to be easily accommodated.

<b>Table 6-5 Yorktown Central School District (2020-2021 School Year)</b>				
<b>School</b>	<b>Grades Served</b>	<b>School Capacity<sup>2</sup></b>	<b>2021 Enrollment</b>	<b>Percent Utilization</b>
Brookside Elementary School	K-3	517	480	92.8%
Mohansic Elementary School	K-3	592	490	82.7%
Crompond Intermediate School	4-5	589	528	89.6%
Mildred E. Strange Middle School	6-8	1,315	801	60.9%
Yorktown High School	9-12	1,379	1,082	78.5%
<b>TOTAL</b>		<b>4,392</b>	<b>3,381</b>	<b>76.9%</b>
NYSSED Yorktown Central School District 2022.				

The Enrollment Projection Study, May 2018, referenced earlier, made certain projections of what enrollments would be as of 2020, both with and without known pending housing developments when the study was conducted. Hindsight is always 20/20 and no one could have predicted the pandemic or other factors that have influenced where we are today. However, Table 6-6 below demonstrates how the projections which appeared well reasoned and researched, did not turn out to be accurate. Actual current enrollments are substantially lower than what was projected.

<sup>1</sup>NYS Department of Education BEDS Enrollment Data for Yorktown Central School District 20/21.

<sup>2</sup> Enrollment Projection/Demographic Study, May 2018,  
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<b>Table 6-6 Yorktown Central School District (2020-2021 School Year)</b>					
School	Grades Served	School Capacity <sup>3</sup>	2021 Enrollment	Low Projection	High Projection with New Housing
Brookside Elementary School Mohansic Elementary School	K-3	1,109	829	832-1,200	842-1,210
Crompond Intermediate School	4-5	589	528	535-601	545-611
Mildred E. Strange Middle School	6-8	1,315	801	850-976	870-996
Yorktown High School	9-12	1,379	1,082	1,142-1,216	1,180-1,252
<b>TOTAL</b>		<b>4,392</b>	<b>3,381</b>	<b>Up to 3,993</b>	<b>Up to 4,069</b>
<small>NYSed Yorktown Central School District 2022.</small>					

*School District Costs Associated with the Proposed Project*

As shown in Table 6-1, based upon demographic multipliers published by Rutgers University Center for Urban Policy Research, approximately 34 students are projected to reside in the Underhill Farms residential development. The addition of 34 students to a population of more than 3,381 students represents an increase of approximately one percent. Over the past five years, the overall district enrollment has decreased by approximately 10 percent. Table 6-5 demonstrates the district has available capacity in each school to accommodate this modest increase. Thus, the Yorktown CSD is presumed to have availability in its existing infrastructure to accommodate this increase in student population.

The district budget for the 2021-2022 school year for the Yorktown Central School District totals \$101,906,000. The portion of the budget to be raised through taxation is \$80,866,263 - approximately 80 percent of the budget is met through the property tax levy.

The anticipated increase in student population **will not** have a significant impact on the administrative or capital needs of the district. As discussed above, a review of enrollment statistics demonstrates the district's existing facilities are expected to have the capacity to handle the anticipated increase in students. Any costs to the School District would be related specifically to programming costs which include instruction and transportation and are referred to as marginal costs. District-wide, these costs total \$80,409,377<sup>4</sup>. The portion of the programming costs to be raised by the tax levy is estimated to total \$63,842,663.

An increase in residential development will result in an increase in the assessed valuation of the School District, which translates into additional school tax revenues. Since the infrastructure and staff resources are already in place, the costs for new students associated with new residential development would be minimal. It should also be noted that the ratio of students associated with multifamily housing is low compared to traditional single-family housing.

<sup>3</sup> Enrollment Projection/Demographic Study, May 2018,

<sup>4</sup> Yorktown Central School District Adopted Budget 2021/2022.

The per-student marginal costs to be raised by the tax levy are calculated to be up to \$18,872. Thus, the cost to educate 34 additional students could be up to \$641,648. This full cost is likely overstated given the low percentage of new students compared to the existing student population in combination with the existing district infrastructure.

At today’s tax rates, the proposed Underhill Farms would generate a total of \$957,531 in annual property revenues to the school district. Thus, the overall impact on the district’s budget is expected to be positive even after covering the cost of educating the students who reside at Underhill Farms. The proposed residential development will generate \$315,883 annually *after* covering the cost to educate the increase in students. These are dollars that directly influence the tax rate charged to the residents of the Yorktown School District.

Construction is projected to take a minimum of 24 months which would be spread over at least two school years. The increased student population is also expected to be distributed throughout the grade levels. The multi-year phasing and distribution of students will allow for an additional 34 students to be integrated into the local schools with minimal impact.

**6.9 Fiscal Summary**

Table 6-7 presents a summary of the conservatively anticipated revenues compared to an estimate of costs of the proposed Underhill Farms development project. The combined revenues, after considering the generalized costs to the Town and the School District are projected to be an annual net benefit of \$459,382 to all taxing jurisdictions. These funds support the population who live in the community.

<b>Table 6-7 Revenue &amp; Cost Summary: Underhill Farms</b>			
<b>Jurisdiction</b>	<b>Projected Taxes (\$)</b>	<b>Projected Costs (\$)</b>	<b>Net Tax Revenue</b>
<i>Town of Yorktown</i>	\$211,899	(\$68,400)	\$143,499
<i>Yorktown Central Schools</i>	\$957,531	(\$641,648)	\$315,883
<b>Total</b>	<b>\$1,169,430</b>	<b>(\$710,048)</b>	<b>\$459,382</b>

Source: Tim Miller Associates, Inc., 2023

**6.10 Fiscal Benefits**

The project will induce construction employment in the short term. In the long term, the new retail establishments are projected to create approximately 50 new jobs. In addition, the new resident population would introduce consumer demand for retail and service establishments located within the Town of Yorktown, as well as the larger commercial area within the region.

*Short Term Employment Opportunities*

The construction value of the proposed project is estimated to be approximately \$48 million. Construction of the project would require a commitment of person hours of labor, which can be viewed as beneficial to the community, the local economy, and the construction industry with respect to the generation of jobs. Based on labor hour estimates published by the Urban Land Institute, and accounting for secondary employment resulting from the construction, this project would generate 250 full time equivalent jobs in the various construction trades associated with this project.

It is anticipated that a number of construction workers would come from Westchester County and nearby counties in the region. These workers are expected to have a positive impact on existing local businesses that provide such services as food, convenience shopping, gasoline, etc.

*Traffic Improvements*

As an existing condition, there are delays at the Underhill Avenue / Route 118 intersection, particularly during the evening rush hour. The Applicant has provided a complete Traffic Analysis of this situation. The proposed intersection improvements of Route 118 and Underhill Avenue will be a shared effort between the Applicant and the Town. The Applicant will fund 100% of the traffic improvements. The Applicant will contribute approximately \$625,000 toward "Phase 1" improvements of the intersection. The remaining funding would come through a limited IDA tax abatement for this property, or from Westchester County IDA. There are funds available to the Town specifically for infrastructure improvements.

*Local Economy Spending*

Future residents would utilize retail, personal service, and other commercial uses located in the project vicinity. Businesses within the project vicinity, especially those located within the Town, would benefit from new resident expenditures. Approximately 30 percent of household income is typically spent on retail goods and services.

An annual household income ranging from \$75,000 to \$95,000 would be required to afford renting the proposed apartments. An annual household income ranging from \$150,000 to \$199,000, would be required to afford the proposed Townhouses/Condominium residential housing. Using a conservative average household income of \$100,000, it is estimated that 148 households would spend approximately \$4.5 million annually. A substantial portion of these expenditures would be made at supermarkets, local convenience stores, apparel stores, restaurants and service businesses such as gas stations and hair salons in the area.